

**THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM – 2009**

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**THE POWER OF INNOVATION: WHEN WILL TOMORROW START?**

Moderators:

**Robert B. Tucker**, President of The Innovation Resource; **Sergey Brilev**, television journalist, RTR

Panellists:

**Anatoly Chubais**, General Director, Russian Nanotechnology Corporation

**Mikhail Shamolin**, President and CEO, MTS

**Jean-Philippe Courtois**, President, Microsoft International

**Craig R. Barrett**, Chairman of the Board, Intel Corporation

**Esther Dyson**, CEO, Edventure Holdings, entrepreneur and philanthropist

**Joerg Reinhardt**, Chief Operating Officer, Novartis Group

**Michael Treschow**, Chairman, Unilever N.V. and PLC

**Patrick Kron**, Chairman and CEO, Alstom

**Maria Van Der Hoeven**, Minister of Economics of the Netherlands

**Hamadun Ture**, Secretary General, International Telecommunications Union

**Jan Kubis**, Executive Secretary, UN Economic Commission for Europe

**Sergey Aldoshin**, Vice President of the Russian Academy of Sciences

**Konstantine Skryabin**, Director, Bioengineering Research Center

In a wide-ranging discussion, participants identified three key success factors for the creation of an innovative economy:

**Supporting and stimulating state policy.** An economy that values innovation will require a number of cultural changes. It was noted that government is fundamental to creating this culture change, and must identify the main areas of focus for a country, with nanotechnology and biotechnology currently two of the most likely areas. Thereafter government's priority should be investment in education and the creation of a supportive legislative framework. Participants

considered that funding for innovation should be sourced largely from the private sector, rather than the government, although tax changes could be an important tool for encouraging private-sector investment.

**Establishing the personal positions of leaders and the corporate interests of major companies.** Participants considered that companies that recognise and promote research and development (R&D) are likely to gain a competitive advantage. For many corporates this will require a change in their corporate cultures – for example ensuring that enough senior management figures have R&D backgrounds, and that those involved in R&D receive recognition and are rewarded financially. Companies that prioritise R&D investment despite the financial crisis have, it was considered, a better chance of emerging as leaders in their respective industries over the medium term. Participants also identified further potential for government and corporates to work together to commercialise IT. The establishment of a risk culture is, it was acknowledged, a long-term process, although much has been done already. The financial crisis should not, it was agreed, prompt companies globally to turn their backs on innovation.

**Achieving broad public support for innovations and innovators.** Economies that successfully establish themselves as technologically advanced are more likely to value entrepreneurship highly. Participants considered that employees need to be rewarded for taking risks and delivering new ideas, but the major challenge remains of rewarding those who innovate and are prepared to take risks, but are ultimately unsuccessful. A knowledge-sharing culture, in which leaders mentor new entrepreneurs, is, it was noted, at least as important as funding innovation and financial rewards.